

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

ATTORNEY GENERAL'S FIRST SET OF  
DOCUMENT AND INFORMATION REQUESTS

D.T.E. 05-8

Respondent: Theodore Poe, Jr.

Information Request AG-1-6

- Q. Did the Company consider issuing an RFP for the proposed services? If no, please explain why. If yes, please provide the results of the RFP or why it was not implemented.
- A. The Company did not issue an RFP for these services. As discussed the pre-filed testimony of Elizabeth D. Arangio at page 10, LNG is a rather unique product. It is only available at certain locations. The closest location to the Company's facilities in New England is the Distrigas terminal in Everett. One of the major components in the cost of gas is transportation. Being able to access the LNG at Everett minimizes that transportation cost and lowers the total delivered cost for customers.

There are other facilities available for LNG. However, those facilities are not capable of providing the level of service required by the Company. None of the alternative facilities have the current capability to meet the Company's requirement. Moreover, the other available facilities such as NSTAR's Hopkinton LNG facility, Philadelphia Gas Works' facility in Pennsylvania, Transco's facility in Carlstadt, New Jersey and Gaz Metropolitain's facility in Montréal, Canada are all located significantly further from the Company's distribution system than Distrigas, which would increase the transportation costs.

For these reasons, Distrigas is uniquely positioned to meet the Company's needs at the lowest possible cost. As new LNG projects are proposed and come on line, the Company will monitor whether or not those projects present additional opportunities to lower costs for customers.